

First National Bank in Dallas

Post Office Box 6031, Dallas, Texas 75283 (214) 744-8000

TIM HIGH
ASSISTANT VICE PRESIDENT
214 744-8735
P. O. BOX 83687

9893
RECORDATION NO. Filed 1425

December 6, 1978

DEC 8 1978 -11 55 AM

INTERSTATE COMMERCE COMMISSION

Secretary
Interstate Commerce Commission
Washington, D. C. 20423


Dear Sir:

Enclosed for recordation are one original and three copies of a security agreement executed by Mr. L. D. Herrin to the First National Bank in Dallas.

The names and addresses of the parties to this transaction and the equipment pledged are as follows:

Mortgagor -	Mr. L. D. Herrin 1713 Edgewater Drive Plano, Texas 75075
Mortgagee -	First National Bank in Dallas Attn: Tim High P. O. Box 83687 Dallas, Texas 75283
Equipment -	Four (4) - 4,750 cubic foot capacity 100-ton truck, gravity discharge covered hopper cars, with special interior lining. Serial numbers are: PLMX 10459, PLMX 10460, PLMX 10461 and PLMX 10462. Two (2) - 4,750 cubic foot capacity 100-ton truck, gravity discharge covered hopper cars, unlined. Serial numbers are: PLMX 10380 and PLMX 10381.

8-342A076

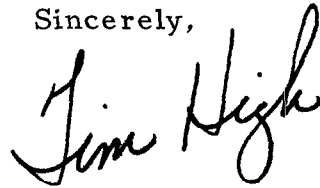
No. 
Date DEC 8 1978
Fee \$ 50.00

ICC Washington, D. C.

P. 2
December 6, 1978
Interstate Commerce Commission

Subsequent to recordation, please return the original to the undersigned
at the address listed above.

Sincerely,

A handwritten signature in cursive script that reads "Jim High". The signature is written in dark ink and is positioned below the word "Sincerely,".

Enclosure

cc: Mr. L. D. Herrin

TH:re

Interstate Commerce Commission
Washington, D.C. 20423

12/11/78

OFFICE OF THE SECRETARY

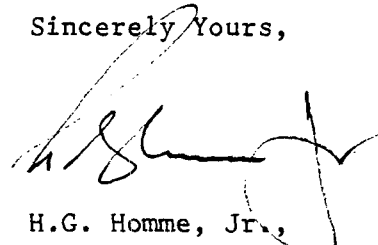
Tim High
Assistant Vice President
First National Bank In Dallas
P.O.Box 6031
Dallas, Texas 75283

Dear

Sir:

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on at
and assigned recordation number(s) 12/8/78 11:55am
9893

Sincerely Yours,



H.G. Homme, Jr.,
Secretary

Enclosure(s)

SE-30-T
(2/78)

SECURITY AGREEMENT

(Equipment, Consumer Goods, Leased Inventory)

RECORDATION NO. 9893 Filed 1425

Dated October 3, 1978

DEC 3 1978

1. Upon the terms hereof, for value received, the undersigned, L. D. Herrin

, hereinafter, whether one or more, called "Debtor", whose

(i) place of business (or chief executive office if more than one place of business) is in the County of Collin, State of Texas,(ii) residence (if an individual) is in the County of Collin, State of Texas, and(iii) mailing address is 1713 Edgewater Drive, Plano, Texas 75075
(Street Address or Post Office Box Number, City, State, Zip Code Number)

hereby grants to FIRST NATIONAL BANK IN DALLAS, hereinafter called "Bank", a security interest in the following property:

- I. Six (6) - 4,750 cubic foot capacity, 100 - ton truck, gravity discharge covered hopper railroad cars. Serial numbers are: 10380, 10381, 10459, 10460, 10461, and 10462.

together with all other equipment (if any of the above property is equipment) now or at any time hereafter owned by Debtor and situated in, on or about the premises where the above equipment is now or hereafter located.

II. All accessions, attachments and other additions to, substitutes and replacements for, and improvements of, the property described or referred to in paragraph I above, whether now owned or at any time hereafter acquired or made, together with all tools, parts and appurtenances now or at any time hereafter used in connection therewith.

2. The property described or referred to in paragraphs I and II above, hereinafter collectively called "collateral", is or will be

(i) located in the County of _____, State of California;

(ii) used only for the purposes shown opposite the blocks indicated by mark below:

- A. ☐ as equipment in Debtor's business (other than farming) and not as inventory;
 B. ☐ for Debtor's personal, family or household purposes;
 C. ☒ as goods leased or held for lease by Debtor but not held for sale;
 D. ☐ as equipment in Debtor's farming operations; and

(iii) attached or affixed to the following described real estate and will become a fixture or fixtures:

Not Applicable

If a description of real estate is provided above, the collateral is to become a fixture or fixtures on such real estate, and this agreement may be filed for record in the real estate records as a financing statement. If Debtor does not have an interest of record in such real estate, the name of a record owner is Not Applicable.

3. The statement opposite the block indicated by mark below is a part of this agreement:

- A. ☐ Debtor warrants that the property described or referred to in paragraph I above is owned by Debtor and is located in the County and State as above specified, and, unless the box in paragraph 2(ii)C is marked, Debtor warrants that such property is in Debtor's possession.
 B. ☒ Debtor acknowledges that funds have been advanced by Bank to enable Debtor to purchase or otherwise acquire rights in or use of the property described or referred to in paragraph I above, and Debtor covenants that the funds will be used for such purpose, and upon delivery by the seller, such property will be owned by Debtor and located in the County and State as above specified, and, unless the box in paragraph 2(ii)C is marked, Debtor covenants that such property will be and remain in Debtor's possession.

4. This security interest shall secure payment and performance of Debtor's Obligation to Bank. The term "Obligation", as used herein, means the following: (i) the indebtedness evidenced by that certain promissory note of even date herewith, executed by Debtor, payable to the order of Bank at Bank's office in Dallas, Texas, in the amount of \$ 160,000.00, providing forinterest as therein specified, containing an attorney's fee clause, and being payable as follows: 20 quarterly installments the first nineteen (19) being in the amount of \$3333.00 with a final installment of \$96,673.00.

together with any and all renewals and extensions of the same, or any part thereof; (ii) all indebtednesses and liabilities of Debtor to Bank at any time arising under the terms hereof; (iii) all future advances or other value at any time hereafter made or given by Bank to Debtor (or to any one or more of them, if there be more than one), whether or not the advances or value are given pursuant to commitment; and (iv) any and all other debts, liabilities and duties of every kind and character of Debtor (or of any one or more of them, if there be more than one) to Bank, whether now or hereafter existing, and regardless of whether such present or future debts, liabilities or duties be direct or indirect, primary or secondary, joint, several, or joint and several, fixed or contingent, and regardless of whether such present or future debts, liabilities or duties may, prior to their acquisition by Bank, be or have been payable to, or be or have been in favor of, some other person or have been acquired by Bank in a transaction with one other than Debtor (it being contemplated that Bank may make such acquisitions from others) together with any and all renewals and extensions of such debts, liabilities and duties, or any part thereof.

5. Debtor represents and warrants that: (i) Debtor has authority to execute and deliver this security agreement; (ii) the statements above concerning the location of Debtor's place of business (or chief executive office), residence, mailing address and use of the collateral are true and correct; (iii) except for any financing statement which may have been filed by Bank, no financing statement covering the collateral, or any part thereof, has been filed with any filing officer; (iv) no other security agreement covering the collateral, or any part thereof, has been made and no security interest, other than the one herein created, has attached or been perfected in the collateral or in any part thereof; and (v) no dispute, right of setoff, counterclaim or defenses exist with respect to any part of the collateral.

6. So long as any part of the Obligation remains unpaid, Debtor covenants and agrees to: (i) use the collateral with reasonable care, skill and caution; (ii) keep the collateral in good repair, working order and condition, and promptly make all necessary repairs or replacements to that end; (iii) keep the collateral properly sheltered, and not permit the same to be damaged, injured or depreciated; (iv) pay, before delinquent, all taxes and other assessments lawfully levied against the collateral; (v) keep the collateral fully insured in such amounts, against such risks and with such insurers as may be satisfactory to Bank, with loss payable to Bank (under a standard mortgagee clause) as its interest may appear, and, from time to time, at the request of Bank, furnish to the latter satisfactory proof of the maintenance of such insurance and the payment of premiums thereon, and, if requested by Bank, deposit with the latter the policies or certificates evidencing such insurance, and in the event of breach by Debtor of any of the provisions of this clause, Bank may at its option maintain insurance on only Bank's interest in the collateral, any cost thereby incurred by Bank to be a part of the Obligation; (vi) from time to time promptly execute and deliver to Bank all such other assignments, certificates, supplemental documents, and financing statements, and do all other acts or things, as the latter may reasonably request in order to more fully evidence and perfect the security interest herein created; (vii) punctually and properly perform all of Debtor's covenants, duties and liabilities under any other security agreement, mortgage, deed of trust, collateral pledge agreement or contract of any kind now or hereafter existing as security for or in connection with payment of the Obligation, or any part thereof; (viii) pay the Obligation in accordance with the terms hereof and in accordance with the terms of the promissory note or notes or other documents evidencing the Obligation, or any part thereof; (ix) promptly furnish Bank with any information or documents which Bank may reasonably request concerning the collateral; (x) allow Bank to inspect the collateral and all records of Debtor relating thereto or to the Obligation, and to make and take away copies of such records; (xi) promptly notify Bank of any change in any fact or circumstances (other than the change referred to in the next to last sentence of this paragraph, which requires the advance notice provided for therein) warranted or represented by Debtor in this agreement or in any other document furnished by Debtor to Bank in connection with the collateral or the Obligation; (xii) promptly notify Bank of any claim, action or proceeding affecting title to the collateral, or any part thereof, or the security interest herein, and, at the request of Bank, appear in and defend, at Debtor's expense, any such action or proceeding; and (xiii) promptly, after being requested by Bank, pay to Bank the amount of all: amounts actually incurred by Bank as court costs hereunder; attorneys fees assessed by a court and incurred by Bank in enforcing this security interest; lawful fees for filing, recording, or releasing this security interest in any public office; the reasonable cost actually expended for repossessing, storing, preparing for sale, or selling any of the collateral; and fees for noting a lien on or transferring a certificate of title to any motor vehicle described or referred to above. So long as any part of the Obligation remains unpaid, Debtor covenants and agrees that, without the prior written consent of Bank, Debtor will not; (xiv) lease [unless the box in paragraph 2(ii)C is marked] sell, assign, furnish under any contract of service, transfer or otherwise dispose of the collateral, or any part thereof; or (xv)

create any other security interest in, mortgage, or otherwise encumber, the collateral, or any part thereof, or permit the same to be or become subject to any lien, attachment, execution, sequestration, other legal or equitable process, or any encumbrance of any kind or character, except the security interest herein created; or (xvi) allow the collateral, or any part thereof, to become an accession to other goods; or (xvii) allow the collateral, or any part thereof, to be affixed or attached to any real estate except that specifically described above; or (xviii) permit any part of the collateral to be located on premises leased to Debtor; or (xix) cause or permit the collateral to be removed from the County and State where it is located or to be located, as above specified. Debtor covenants not to use the collateral or permit the same to be used, for any unlawful purpose or in any manner inconsistent with the provisions or requirements of any policy of insurance thereon. Should the place of business, chief executive office, or residence of Debtor be changed to a County or State other than that indicated above, Debtor covenants to give written notice thereof to Bank not less than 15 days before such change is made, and such notice shall specify the County and State to which Debtor is moving. Should any covenant, duty or agreement of Debtor fail to be performed in accordance with its terms hereunder, Bank may, but shall never be obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of Debtor, and any amount expended by Bank in such performance or attempted performance shall become a part of the Obligation, and, at the request of Bank, Debtor agrees to promptly pay such amount to Bank at Bank's office in Dallas, Texas.

7. If Bank advances funds to or for the account of Debtor to enable the latter to purchase or otherwise acquire rights in the collateral, or any part thereof, such funds may, at Bank's option, be paid (i) directly to the person, firm or corporation from whom Debtor will make such purchase or acquisition, or (ii) to Debtor, in which latter event Debtor covenants to promptly pay the same to such person, firm or corporation and forthwith furnish to Bank evidence satisfactory to Bank that such payment has been made.

8. The term "default", as used herein, means the occurrence of any of the following events: (i) the failure of Debtor to pay the Obligation or any part thereof, as it becomes due in accordance with the terms of the promissory note or notes or other writings or agreements which evidence it or when accelerated pursuant to any power to accelerate; or (ii) the failure of Debtor punctually and properly to perform any covenant, agreement or condition contained herein or in any other security agreement, mortgage, deed of trust, assignment or contract of any kind securing or assuring payment of the Obligation, or any part thereof; or (iii) the death of Debtor, or, if Debtor be a partnership, the death of any partner therein; or (iv) the insolvency of Debtor; or (v) the levy against the collateral, or any part thereof, of any execution, attachment, sequestration or other writ; or (vi) the appointment of a receiver of Debtor or of the collateral, or any part thereof; or (vii) the adjudication of Debtor as a bankrupt; or (viii) the filing, by way of petition or answer, of any petition or other pleading seeking adjudication of Debtor as a bankrupt, or an adjustment of Debtor's debts, or any other relief under any bankruptcy, reorganization, debtor's relief or insolvency laws now or hereafter existing; or (ix) when Bank believes that the prospect of payment of the Obligation, or the performance by Debtor of any of the latter's covenants, agreements or other duties hereunder, is impaired; or (x) the receipt by Bank of information establishing that any representation or warranty made by Debtor herein or in any other document delivered by Debtor to Bank in connection herewith is false, misleading or erroneous.

9. Upon the occurrence of a default, in addition to any and all other rights and remedies which Bank may then have hereunder, or under the Uniform Commercial Code of the State of Texas (hereinafter called "Code"), or otherwise, Bank at its option may: (i) declare the entire unpaid balance of principal of and all accrued interest on the Obligation immediately due and payable, without notice, demand, or presentment, which are hereby waived; (ii) require Debtor to assemble the collateral and make it available to Bank at a place to be designated by the latter which is reasonably convenient to both parties; (iii) render unusable any equipment which may be part of the collateral, and Bank may dispose of the same on Debtor's premises; (iv) reduce its claim to judgment, foreclose or otherwise enforce its security interest in all or any part of the collateral by any available judicial procedure; (v) after notification, if any, provided for in paragraph 10 hereof, sell, lease, or otherwise dispose of, at the office of Bank, or on the premises of Debtor, or elsewhere, as chosen by Bank, all or any part of the collateral, in its then condition or following any commercially reasonable preparation or processing, and any such sale or other disposition may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts (it being agreed that the sale of any part of the collateral shall not exhaust Bank's power of sale, but sales may be made from time to time until all of the collateral has been sold or until the Obligation has been paid in full), and at any such sale it shall not be necessary to exhibit the collateral; (vi) surrender any policies of insurance on the collateral and receive and apply the unearned premiums as a credit on the Obligation, and, in connection therewith, Debtor hereby appoints Bank as the agent and attorney-in-fact for Debtor to collect such premiums, Bank to exercise such power at its sole discretion; (vii) at its discretion, retain the collateral in satisfaction of the Obligation whenever the circumstances are such that Bank is entitled to do so under the Code; (viii) apply by appropriate judicial proceedings for appointment of a receiver for the collateral, or any part hereof, and Debtor hereby consents to any appointment; (ix) buy the collateral at any public sale; and (x) buy the collateral at any private sale if the collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Bank shall be entitled to apply the proceeds of any sale or other disposition of the collateral in the following order; first, to the payment of all of its reasonable expenses incurred in retaking, holding and preparing the collateral, or any part thereof, for sale(s) or other disposition, in arranging for such sale(s) or other disposition, and in actually selling the same; and next, toward payment of the balance of the Obligation in such order and manner as Bank, in its discretion, may deem advisable. Bank shall account to Debtor for any surplus. If the proceeds are not sufficient to pay the Obligation in full, Debtor shall remain liable for any deficiency.

10. Reasonable notification of the time and place of any public sale of the collateral, or reasonable notification of the time after which any private sale or other intended disposition of the collateral is to be made, shall be sent to Debtor and to any other person entitled under the Code to notice; provided, that if the collateral is perishable, threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Bank may sell or otherwise dispose of the collateral without notification, advertisement or other notice of any kind. It is agreed that notice sent or given not less than five calendar days prior to the taking of the action to which the notice relates is reasonable notification and notice for the purposes of this paragraph.

11. Should any part of the collateral come into the possession of Bank, whether before or after default, Bank may use or operate the collateral for the purpose of preserving it or its value or pursuant to the order of a court of appropriate jurisdiction, or in accordance with any other rights held by Bank in respect of the collateral. Debtor covenants to promptly reimburse and pay to Bank, at Bank's request, the amount of all reasonable expenses (including the cost of any insurance and payment of taxes or other charges) incurred by Bank in connection with its custody and preservation of the collateral, and all such expenses, cost, taxes and other charges shall be a part of the Obligation. It is agreed, however, that the risk of accidental loss or damage to the collateral is on Debtor, and Bank shall have no liability whatever for failure to obtain or maintain insurance, nor to determine whether any insurance ever in force is adequate as to amount or as to the risks insured.

12. Bank shall have the right at any time to execute and file this agreement as a financing statement, but the failure of Bank to do so shall not impair the validity or enforceability of this agreement.

13. All rights and remedies of Bank hereunder are cumulative of each other and of every other right or remedy which Bank may otherwise have at law or in equity or under any other contract or document for the enforcement of the security interest herein or the collection of the Obligation, and the exercise of one or more rights or remedies shall not prejudice or impair the concurrent or subsequent exercise of other rights or remedies.

14. Should any part of the Obligation be payable in installments, the acceptance by Bank at any time and from time to time of part payment of the aggregate amount of all installments then matured shall not be deemed to be a waiver of the default then existing. No waiver by Bank of any default shall be deemed to be a waiver of any other subsequent default, nor shall any such waiver by Bank be deemed to be a continuing waiver. No delay or omission by Bank in exercising any right or power hereunder, or under any other documents executed by Debtor as security for or in connection with the Obligation, shall impair any such right or power or be construed as a waiver thereof or any acquiescence therein, nor shall any single or partial exercise of any such right or power preclude other or further exercise thereof, or the exercise of any other right or power of Bank hereunder or under such other documents.

15. If the Obligation, or any part thereof, be given in renewal or extension, or applied toward the payment, of indebtedness secured by mortgage, pledge, security agreement or other lien, Bank shall be, and is hereby, subrogated to all of the rights, titles, security interests and other liens securing the indebtedness so renewed, extended or paid.

16. No provision herein or in any promissory note, instrument, or any other loan document executed by Debtor evidencing the Obligation shall require the payment or permit the collection of interest in excess of the maximum permitted by law. If any excess of interest in such respect is provided for herein or in any such promissory note, instrument, or any other loan document, the provisions of this paragraph shall govern, and Debtor shall not be obligated to pay the amount of such interest to the extent that it is in excess of the amount permitted by law. The intention of the parties being to conform strictly to the usury laws now in force, all promissory notes, instruments and other loan documents executed by Debtor evidencing the Obligation shall be held subject to reduction to the amount allowed under said usury laws as now or hereafter construed by the courts having jurisdiction.

17. IN THE EVENT OF A DEFAULT HEREUNDER, IN ADDITION TO ALL OTHER REMEDIES AVAILABLE TO BANK, BANK SHALL HAVE THE RIGHT TO ENTER UPON THE PREMISES WHERE THE COLLATERAL IS LOCATED AND TAKE POSSESSION OF THE COLLATERAL AND REMOVE THE SAME BY ANY LAWFUL MEANS, EITHER JUDICIAL OR NON-JUDICIAL, AND DEBTOR DOES HEREBY EXPRESSLY WAIVE ANY RIGHT TO ANY NOTICE, LEGAL PROCESS, OR JUDICIAL HEARING PRIOR TO SUCH TAKING OF POSSESSION BY BANK. DEBTOR UNDERSTANDS THAT THE RIGHT TO PRIOR NOTICE AND HEARING IS A VALUABLE RIGHT AND AGREES TO THE WAIVER THEREOF AS A PART OF THE CONSIDERATION FOR AND AS AN INDUCEMENT TO BANK TO EXTEND CREDIT NOW AND HEREAFTER TO DEBTOR. In connection with such action by Bank in taking possession of the collateral, Bank may take possession of any property located in the collateral and hold or store such property for Debtor at Debtor's expense.

IN WITNESS WHEREOF, Debtor and Bank have caused this Security Agreement to be executed, all as of the day and year first above written.

L. D. Herrin
L. D. Herrin

(Seal)

FIRST NATIONAL BANK IN DALLAS

ATTEST:

By: Timothy R. High
Timothy R. High

C. C. Brothers
C. C. BROTHERS, Banking Officer
and Assistant Cashier
STATE OF TEXAS)

COUNTY OF)

This 4th day of December, 1978, before me personally appeared L. D. Herrin, to me known to be the person described in and who executed the foregoing instrument and he acknowledged that he executed the same as his free act and deed.

Carol C. Eberly
Notary Public
CAROL C. EBERLY, Notary Public
My Commission Expires August 31, 1979
in and for Dallas County, Texas
My commission expires August 31, 1979

STATE OF TEXAS)

COUNTY OF)

This 4th day of December, 1978, before me personally appeared Timothy R. High, to me personally known, who being by me duly sworn, says that he is Assistant Vice President of FIRST NATIONAL BANK IN DALLAS, and that the seal affixed to the foregoing instrument is the corporate seal of said Association, and that said instrument was signed and sealed on behalf of said Association by authority duly given, and the said Timothy R. High acknowledged that the execution of the foregoing instrument was the free act and deed of said Association.

WITNESS my hand and notarial seal.

Carol C. Eberly
Notary Public
CAROL C. EBERLY, Notary Public
My Commission Expires August 31, 1979
in and for Dallas County, Texas
My commission expires August 31, 1979